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Controller Comments on Governor's Veto Decision and Proposition 25

SACRAMENTO – State Controller John Chiang today made the following comments regarding the Governor's decision to veto the budget bills enacted Wednesday by the Legislature:

GOVERNOR'S VETO

"With one arm tied behind their backs, Democratic lawmakers attempted to close the budget deficit while not betraying their core values of protecting public safety and education. It fell short because Californians aspire for a balanced budget built on sustainable solutions that will restore the state's fiscal health for the long-term. Anything short of that only invites more of the turmoil, uncertainty, and lost opportunities that have been the hallmarks of budget plans in years past.

"I support the Governor's decision today to call upon legislators – from both parties – to try again."

PROPOSITION 25

"I remain resolute in my commitment to enforcing the public's will to permanently withhold legislative pay for every day a balanced budget is not passed after yesterday's deadline. Article 4, Section 12(g) of the Constitution clearly states that a budget is balanced only if authorized expenditures do not exceed projected revenues, 'as set forth in the budget bill passed by the Legislature.'

"I will move quickly to complete our analysis of whether the budget bills passed Wednesday meet the constitutional definition, or fall short, which would require my office to forfeit their pay under Proposition 25. We are awaiting the final budget bill language before we begin our examination. In addition, we have asked the Department of Finance, which tracks and tallies the Legislature's budget activities, for data to inform our decision."

ADDITIONAL BACKGROUND INFORMATION:

- Proposition 25 only references the Legislature's passage of a budget; it is not affected by the Governor's signature or veto.

- Nothing in the Constitution or state law gives the State Controller the authority to judge the honesty, legitimacy or viability of a budget. The only authority this office has over the budget is through Proposition 25 and 58, to determine whether the budget bills enacted show that expected revenues will equal or exceed planned expenditures. As evidence of that, Senator Sam Blakeslee has announced plans to introduce a constitutional amendment giving the Controller broader, independent authority to evaluate budget solutions for "smoke and mirrors."

- Legislators are scheduled to be paid on June 30th.

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